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OF COUNSEL
URBAN A. LESTER

19961-A

MAR 24 1996

INTERSTATE

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March 22, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), and the regulations thereunder, are three (3) copies of a Supplement No. 1 to Security Agreement-Chattel Mortgage, dated as of March 22, 1996, a secondary document as defined in the Commission's Rules for the Recordation of Documents.

The enclosed document relates to the Security Agreement previously filed with the Board under Recordation Number 19961.

The names and addresses of the parties to the enclosed document are:

Debtor: ACF Industries, Incorporated
620 North Second Street
St. Charles, Missouri 63301

Secured Party: National Bank of Canada
125 West 55th Street
New York, New York 10019

A description of the railroad equipment covered by the enclosed document is:

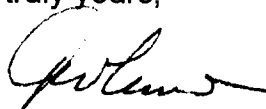
Ninety-five (95) railcars bearing ACFX reporting marks and road numbers set forth on Schedule A attached to Supplement No. 1.

Mr. Vernon A. Williams
March 22, 1996
Page 2

Also enclosed is a check in the amount of \$21.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return two stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. Alvord", written in black ink.

Robert W. Alvord

RWA/bg
Enclosures

1996-19

RECORDED
MAR 22 1996 - 1 221

SUPPLEMENT NO. 1
SECURITY AGREEMENT - CHATTEL MORTGAGE

SUPPLEMENT No. 1 to the Security Agreement - Chattel Mortgage dated as of March 6, 1996 (the "Agreement") by and between ACF INDUSTRIES, INCORPORATED, a New Jersey corporation (the "Debtor"), and NATIONAL BANK OF CANADA, a Canadian chartered bank (the "Bank").

1. This Supplement is executed and delivered pursuant to the Agreement in order to more particularly identify certain of the Collateral which the Debtor has assigned and granted, or does hereby assign and grant, a security interest in and to the Bank, and to confirm the assignment under, and security interest created by, the Agreement with respect to such Collateral. Any term defined in the Agreement and used herein shall have the meaning as defined therein.

2. The Debtor has transferred, conveyed, warranted, mortgaged, delivered, pledged, assigned and granted to the Bank, its successors and assigns, and does hereby transfer, convey, warrant, mortgage, deliver, pledge, assign and grant to the Bank a security interest in, in each case pursuant to the Agreement and as collateral security for payment and performance of the obligations of the Debtor under the Agreement and the Revolving Credit Facility Agreement dated February 26, 1996 between the Debtor and the Bank (the "Credit Facility"), all and singular of the Debtor's rights, title and interest in and to the following Collateral described in paragraphs 2(a), 2(b) and 2(c) hereof:

(a) All of the railroad rolling stock and standard gauge rolling stock listed on Schedule A hereto together with all accessories, accessions, equipment, parts, additions, attachments and appurtenances that are at any time appertaining, attached, affixed or related thereto, and all substitutions, renewals or replacements thereof and additions, improvements, accessions and accumulations thereto together with all rents, issues, income, profits and avails therefrom and the proceeds thereof.

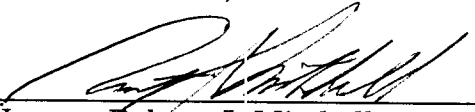
(b) All of the lease agreements, lease schedules or relevant portions thereof and all riders, amendments and supplements thereto entered into and to be entered into by the Debtor with the lessee(s) thereunder, which lease agreement, lease schedule or relevant portion thereof provides for the leasing of one or more units of any of the items listed in the preceding clause (a), to the extent but only to the extent relating to the items listed in the preceding clause (a), including (without limitation) the leases listed on Schedule A hereto, and all payments due and to become due under any such lease but only to the extent relating to any of the items listed in the preceding clause (a), whether as contractual obligations, damages or otherwise to the extent such payments are derived from any of the items is the preceding clause (a).

(c) All products and proceeds of any of the foregoing in whatever form, including (without limitation) insurance proceeds and any claims against third parties for loss or damage to or destruction of any or all of the instruments for the payment of money, chattel paper, security agreements or other documents.

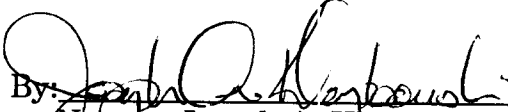
3. All provisions of the Agreement and the Credit Facility are hereby incorporated in this Supplement and made a part hereof. Schedule A hereto shall be deemed an addition to, and part of, Schedule A to the Agreement. By their execution and delivery of this Supplement, the parties hereto hereby reaffirm all of the provisions of the Agreement and Credit Facility.

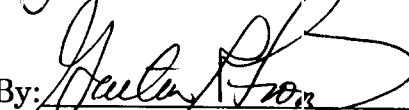
IN WITNESS WHEREOF, the parties hereto have executed and delivered this Supplement in one or more counterparts as of this 22 day of March, 1996.

ACF INDUSTRIES, INCORPORATED

By: 
Name: Robert J. Mitchell
Title: Senior Vice President

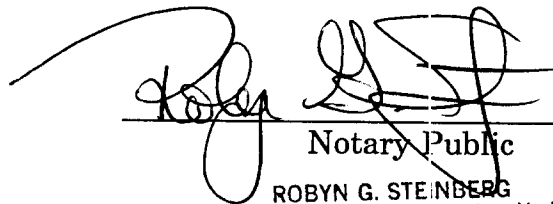
NATIONAL BANK OF CANADA

By: 
Name: Joseph A. Klapkowski
Title: Assistant Vice President

By: 
Name: Gaetan Frosina
Title: Vice President

STATE OF NEW YORK)
)
COUNTY OF NEW YORK) ss.:

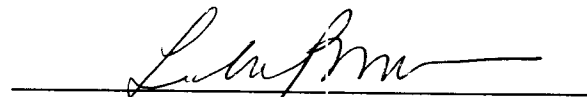
On this 20th day of March, 1996, before me, personally appeared Robert J. Mitchell, to me known, who being by me duly sworn, says that he resides in Woodbury, NY and is Senior Vice President of ACF INDUSTRIES, INCORPORATED; that said instrument was signed on behalf of said corporation on the date hereof by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public
ROBYN G. STEINBERG
Notary Public, State of New York
No. 01ST5026264
Qualified in New York County
Commission Expires April 18, 1998

STATE OF NEW YORK)
)
COUNTY OF NEW YORK) ss.:

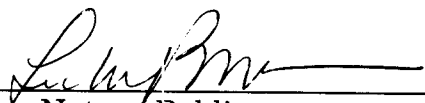
On this 20th day of March, 1996, before me, personally appeared Joseph A. Klapkowski, to me known, who being by me duly sworn, says that he resides in Peekskill, NY and is Assistant Vice President of NATIONAL BANK OF CANADA; that said instrument was signed on behalf of said bank on the date hereof by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.



Notary Public
LINDA BASSIN
Notary Public, State of New York
No. 4996467
Qualified in Rockland County
Commission Expires May 18, 1996

STATE OF NEW YORK)
)
COUNTY OF NEW YORK) ss.:

On this 20th day of March, 1996, before me, personally appeared Gaetan Frosina, to me known, who being by me duly sworn, says that he resides in Norwalk, CT and is Vice President of NATIONAL BANK OF CANADA; that said instrument was signed on behalf of said bank on the date hereof by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.



Notary Public

LINDA BASSIN

Notary Public, State of New York

No. 4996467

Qualified in Rockland County

Commission Expires May 18, 1996

3/20/96

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SCHEDULE A

1

LESSEE CODE	LESSEE	CONTRACT/ RIDER	RPTG MARK	CAR NUMBER
168	ENGELHARD CORPORATION	77300026	ACFX	71795
168	ENGELHARD CORPORATION	77300026	ACFX	71796
168	ENGELHARD CORPORATION	77300026	ACFX	71797
168	ENGELHARD CORPORATION	77300026	ACFX	71798
168	ENGELHARD CORPORATION	77300026	ACFX	71799
168	ENGELHARD CORPORATION	77300026	ACFX	71800
168	ENGELHARD CORPORATION	77300026	ACFX	71801
168	ENGELHARD CORPORATION	77300026	ACFX	71802
168	ENGELHARD CORPORATION	77300026	ACFX	71803
168	ENGELHARD CORPORATION	77300026	ACFX	71804
168	ENGELHARD CORPORATION	77300026	ACFX	71805
168	ENGELHARD CORPORATION	77300026	ACFX	71806
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168	ENGELHARD CORPORATION	77300026	ACFX	71897
168	ENGELHARD CORPORATION	77300026	ACFX	71898
168	ENGELHARD CORPORATION	77300026	ACFX	71899

LESSEE CODE	LESSEE	CONTRACT/ RIDER	RPTG MARK	CAR NUMBER
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168	ENGELHARD CORPORATION	77300026	ACFX	71927
168	ENGELHARD CORPORATION	77300026	ACFX	71928
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568	EASTMAN CHEMICAL COMPANY	5081	ACFX	65623
568	EASTMAN CHEMICAL COMPANY	5657	ACFX	71761
568	EASTMAN CHEMICAL COMPANY	5657	ACFX	71762
568	EASTMAN CHEMICAL COMPANY	6536	ACFX	458229
568	EASTMAN CHEMICAL COMPANY	6536	ACFX	458230
568	EASTMAN CHEMICAL COMPANY	6536	ACFX	458264
568	EASTMAN CHEMICAL COMPANY	6536	ACFX	458266
568	EASTMAN CHEMICAL COMPANY	6536	ACFX	458267
568	EASTMAN CHEMICAL COMPANY	6536	ACFX	458268
568	EASTMAN CHEMICAL COMPANY	6536	ACFX	458273

LESSEE CODE	LESSEE	CONTRACT/ RIDER	RPTG MARK	CAR NUMBER
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568 Count				19
Grand Count				95